DOCUMENT RESUME

ED 445 145

UD 033 742

TITLE	Examining Skills Shortages in America's Cities: Impact, City Responses and Business Perspective.
INSTITUTION	City Policy Associates, Washinton, DC.; United States Conference of Mayors, Washington, DC.
PUB DATE	2000-06-00
NOTE	26p.
PUB TYPE	Reports - Research (143)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	*Administrators; *Job Training; Needs Assessment; Partnerships in Education; Program Descriptions; *Skills; Surveys; *Urban Areas

ABSTRACT

This report documents the results of a survey of the principal cities of the United States conducted in 1999. The objective of this survey was to help determine the impact of the growing gap between the skills demanded by today's economy and the skills of the workforce, and how mayors and other city leaders, on behalf of their citizens, are addressing the skills gap. Officials in four out of five of the survey cities reported a shortage of highly skilled workers, and more than 77% said that this shortage had increased over the past 5 years. Survey cities indicated that their efforts to develop these skills among workers usually included partnerships involving, or programs conducted by, various local institutions, including colleges and universities, public postsecondary institutions, businesses, public elementary and secondary schools, and other institutions. Thirty-one percent of the officials reported that the state's Temporary Assistance for Needy Families program was taking advantage of newly granted flexibility to help move recipients from welfare to work. An appendix lists the 110 responding cities. (SLD)

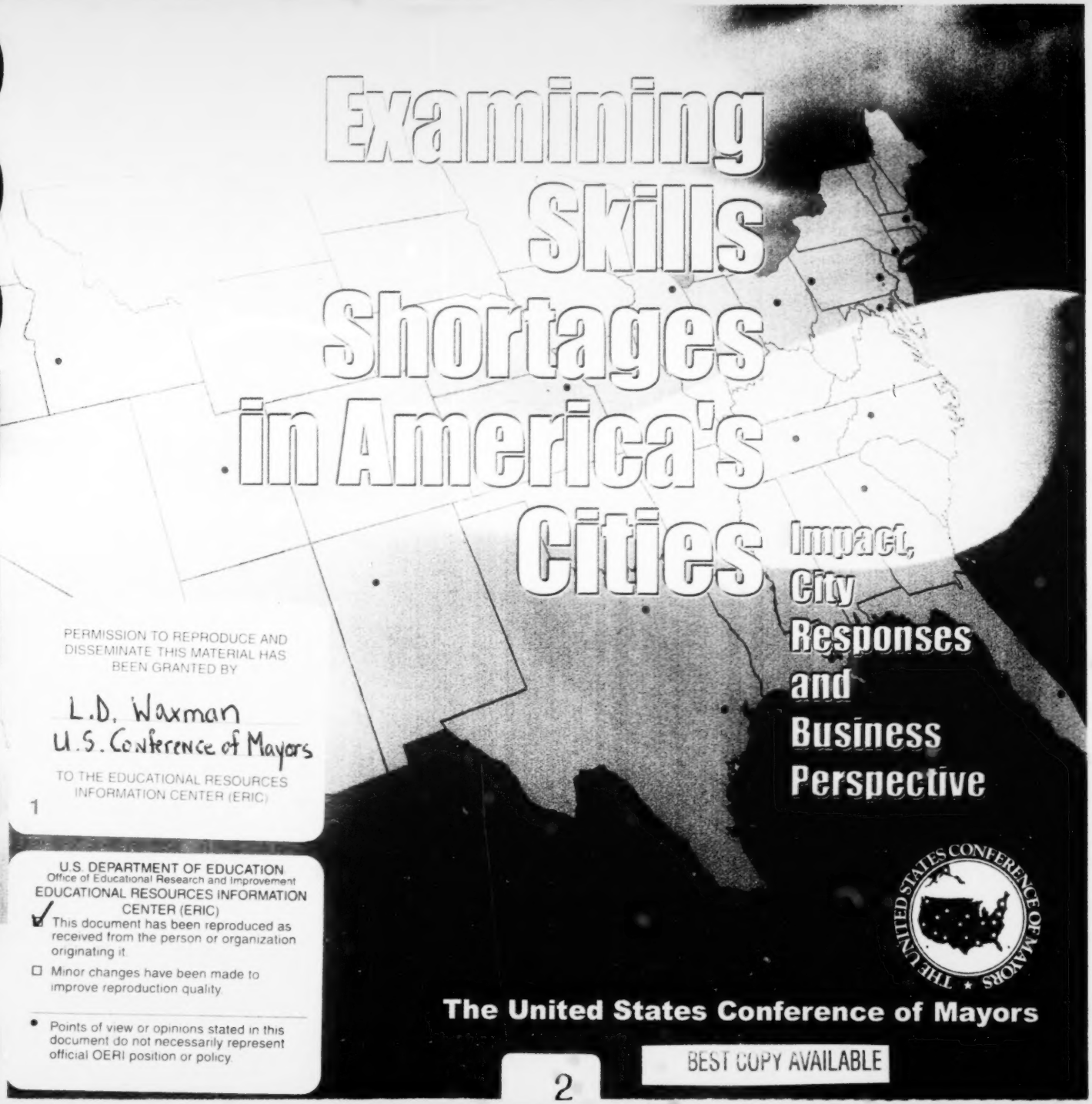
Reproductions supplied by EDRS are the best that can be made
from the original document.

BEST COPY AVAILABLE
ED 445 145
UD033742

JUNE 2000

Examining Skills Shortages in America's Cities

Impact, City Responses and Business Perspective



PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

L.D. Waxman
U.S. Conference of Mayors

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

The United States Conference of Mayors

BEST COPY AVAILABLE

Examining Skills Shortages in America's Cities

Impact, City Responses and Business Perspective

June 2000

03

The United States
Conference of Mayors

04

The United States Conference of Mayors
1620 Eye Street, NW, Washington, D.C. 20006, (202) 293-7330

Wellington E. Webb, Mayor of Denver, President
H. Brent Coles, Mayor of Boise, Vice President
Marc H. Morial, Mayor of New Orleans, Chair, Advisory Board

J. Thomas Cochran, Executive Director

This publication was prepared by City Policy Associates, Washington, D.C.

TABLE OF CONTENTS

Executive Summary 1

Survey on Shortages of Qualified Workers 4

Introduction 4

Shortages of Qualified Workers in Cities 6

City Responses to Shortages of Qualified Workers 8

Successful Partnerships and Initiatives 10

Business Perspective 17

Expanding Opportunities for Low Income Workers and Their Families 18

Appendix

Responding Cities 20

EXECUTIVE SUMMARY

Overview

As the 2000 elections approach, it is essential that candidates address those issues of greatest importance to the future of our nation. The next administration must support policies which allow the economy to continue to grow, and which ensure that every citizen has the opportunity to benefit from the economic prosperity. The United States Conference of Mayors is calling for "A New Agenda for America's Cities," a ten point plan which addresses the needs of the new economy and was developed under the leadership of Conference President Denver Mayor Wellington E. Webb. (For a complete copy go to www.usmayors.org) One of the ten points in this new agenda is to build a competitive workforce for the global economy. The results of the following survey clearly indicate that during this time of rapid economic growth, while businesses are eagerly searching for new workers and new markets, it is critical that workers are equipped with the skills that the economy demands. The next administration must invest in the people that are being left behind and ensure that working families everywhere can compete in the modern economy. Specifically, mayors call on the next President to build a competitive workforce for the 21st century economy by providing directly to local governments flexible block grant funding to be used in partnership with the private sector to reduce the skills gap, link workers to regional jobs, address youth unemployment, tap into the central city labor force, and help move people from welfare to work.

Survey on Shortages of Qualified Workers

This report documents the results of a survey of the nation's principal cities conducted in 1999. The objective of this survey was to help determine the impact of the growing gap between the skills demanded by today's economy and the skills of the workforce, and how mayors and other city leaders, on behalf of their citizens, are addressing the skills gap. Because maintaining a competitive workforce emerged in a previous survey on untapped markets as a serious and growing challenge for the largest number of mayors responding, this survey was conducted to ask mayors to focus on the challenges they face in workforce development. This survey addressed 1) the extent to which shortages of qualified workers are affecting cities, 2) the sectors of city economies which are being affected, 3) the cities' responses to the problem, 4) the extent to which state and federal governments are contributing to solutions, and 5) what is being done to help low income people - welfare recipients, in particular - enter and succeed in the workforce. Responses were received from 110 cities.

Shortages by Skill Level and Sector

Officials in four in five of the survey cities reported a shortage of highly-skilled workers, and more than three-fourths (77 percent) of these said that this shortage had increased over the past five years. Eighty-seven percent characterized the shortage as either serious or very serious.

Across the cities reporting shortages at the highly-skilled level:

- 58 percent said this was affecting their ability to attract new businesses.
- 39 percent said this was affecting their ability to retain existing businesses.
- 62 percent said this was affecting their ability to support expansion of existing businesses.

Officials in four in five of the survey cities reported a shortage of skilled workers, and 86 percent of these officials said that this shortage had increased over the past five years. Eighty-six percent also characterized the shortage as either serious or very serious.

Across the cities reporting shortages at the skilled level:

- 56 percent said this was affecting their ability to attract new businesses.
- 44 percent said this was affecting their ability to retain existing businesses.
- 63 percent said this was affecting their ability to support expansion of existing businesses.

In 42 percent of the survey cities, officials said they face a shortage of low-skilled or unskilled workers, just over three-fourths of them said this shortage had increased over the past five years, and just over three-fourths characterized the shortage as serious or very serious.

Across the cities reporting shortages at the low-skill level:

- 46 percent said this was affecting their ability to attract new businesses.
- 34 percent said this was affecting their ability to retain existing businesses.
- 57 percent said this was affecting their ability to support expansion of existing businesses.

Asked which sectors of their economy were most seriously affected by the shortage of qualified workers, survey city officials most frequently cited technology (61 percent of those responding), manufacturing (48 percent), health (34 percent) and construction (27 percent).

City Responses to Shortages

The survey cities indicated that their efforts to develop the skills needed by employers usually include partnerships involving, or programs conducted by, various local institutions.

- 94 percent of the cities involve area colleges and universities.
- 93 percent involve public post-secondary institutions.
- 85 percent involve businesses.
- 77 percent involve public elementary and secondary schools.
- 91 percent involve other institutions.

Eighty-nine percent of the officials indicated that, as a group, the education and training institutions and organizations in their cities held the potential to develop the full range of skills needed by area employers. These officials were about evenly divided, however, on the question of whether this potential can be realized with existing public and private resources.

One-fourth of the cities reported that most efforts to develop the skills needed by area employers are being

approached at a regional level; another 53 percent said that while most of their efforts are regional, greater effort is needed.

In just over two-thirds of the survey cities (69 percent), state governments are funding specific initiatives to reduce shortages of qualified workers; however, officials in more than half (53 percent) said that these initiatives are not on a scale sufficient to make a significant contribution to reducing the shortages. In 58 percent of the cities, the federal government is funding specific initiatives to reduce the shortages, but officials in 59 percent of these cities said that these initiatives are not on a scale sufficient to have a significant impact.

Officials were divided on whether other state and federal funds received by their cities – both block grants and discretionary awards – offered the flexibility to apply them to the reduction of worker shortages.

- Regarding state funds, 40 percent said they did, 60 percent said they did not.
- Regarding federal funds, 47 percent said they did, 53 percent said they did not.

Expanding Opportunities for Low Income Workers and Their Families

Thirty-one percent of the city officials reported that their state's Temporary Assistance for Needy Families (TANF) program was taking advantage of the flexibility it has been given to help move recipients from welfare to work; another 62 percent said that while TANF was taking advantage of this flexibility, more could be done.

Given the fact that remaining welfare caseloads are disproportionately located in cities, officials were asked whether their state's efforts to move people from welfare to work were being targeted to cities in general or their city specifically.

- 69 percent said cities in general were being targeted.
- 64 percent said their city was being targeted.

Officials were evenly divided on the question of whether funding they received from the Department of Labor for welfare-to-work efforts was adequate to meet current needs in their cities.

Asked to assess the availability and adequacy of a range of supports which welfare recipients need to move into the job market and succeed on the job, most officials indicated that the supports were available in their cities, but fewer – in some cases, far fewer – felt these supports were adequate. For example, 72 percent of the officials said their basic skills training was adequate, but only 27 percent felt their child care was adequate, and 30 percent said their transportation was adequate.

In their assessment of the health care coverage available to low income workers:

- Nearly three-fourths of the survey cities said that most low income workers do not have access to affordable coverage through their employers.
- 78 percent of the cities reported that, of those who do not have access to coverage through employers, most receive health care through government programs such as Medicaid.
- Officials estimated that, on average, 47 percent

of the low income workers in their cities have access to employer or government health care coverage.

- 42 percent of the cities said that the Children's Health Insurance Program (CHIP) is effectively bridging the health care gap for the children of low income workers who do not have health care coverage; 58 percent said it is not.
- 10 percent of the cities felt that their state is taking advantage of the flexibility and outreach funding available through CHIP to reach these children; another 72 percent said that, while their state was doing this, more could be done.

In their assessment of child care:

- Nearly nine in 10 of the survey cities said that most low income working families do not have access to affordable, quality child care through their employers.
- Nearly three in five of the cities said that most of these families do not have access to affordable, quality child care through government programs.
- Officials estimated that, on average, 37 percent of low income working families in their cities have access to such child care from any source.
- 38 percent of the cities reported that most families lose child care assistance when they move from welfare to work; 62 percent said they do not.
- Just over half the cities said that most families have to change child care providers when they move from welfare to work.
- Officials in 16 percent of the cities believe that their state is taking advantage of the flexibility available through the federal Child Care and Development Block Grant to meet the child care needs of low income working families; another 61 percent said that, while their state was doing this, more could be done.

SURVEY ON SHORTAGES OF QUALIFIED WORKERS

Introduction

The Conference of Mayors' May-June survey on untapped markets and regional challenges affecting cities found "training the workforce to stay competitive in a changing economy" to be one of the most serious challenges confronting cities. It was, in fact, the top-ranked challenge examined in that survey, with 90 percent of the mayors labeling it either a major or minor challenge for them. Asked whether certain challenges were increasing, decreasing or staying the same, 72 percent of the mayors in the survey – again, the largest group of respondents – said this challenge had grown in their cities over the past decade.

There is a general consensus among public and private sector analysts that demand for skilled workers in the U.S. economy has been outpacing the supply, and that the demand for skills will continue to grow rapidly in the years ahead. Strong demand for workers is expected to combine with slower labor force growth to produce a much tighter labor market. The U.S.

BEST COPY AVAILABLE

Department of Labor projects that the fastest growing broad category will be professional occupations, followed by technical occupations. In a July 1999 memorandum, the Department's Chief Economist says the three fastest growing specific occupations – computer scientists, computer engineers and systems analysts – are expected to more than double in the 10-year period ending in 2006.

A 1997 report by the U.S. Department of Commerce's Office of Technology Policy points to "substantial evidence that the United States is having trouble keeping up with the demand for new information technology workers." A 1996 survey by the firm of Coopers & Lybrand found that nearly half the CEOs of the nation's fastest growing companies were reporting inadequate numbers of information technology workers to staff their operations.

A survey last year by the National Association of Manufacturers found that, "In this time of economic prosperity, when the call for a productive workforce is greatest, it's not surprising that America's manufacturers are experiencing shortages of qualified workers. Nearly nine in 10 (88 percent) report difficulties in finding qualified candidates in at least one job function, from unskilled production-line positions to highly technical computer programmers." Worker demand in some areas is so strong that employment firms such as Manpower Temporary Services, heretofore not training organizations, now are offering training for entry level positions. In San Diego, for example, these firms are providing training in electronics assembly to help satisfy what City officials describe as a seemingly "insatiable demand" for qualified workers. Business expansion in the City has been so strong this year that Manpower has opened three new offices and two new training centers.

Overall, the need for additional education and training for American workers remains very high, according to the Labor Department. Respondents to a survey last year by the American Management Association indicated that, when tested in reading and mathematics, approximately 36 percent of their job applicants lacked the skills needed to perform the jobs for which they were applying; this was up from 19 percent of job applicants just two years earlier. And in a report on the American workplace just released, the Employment Policy Foundation warns that "the U.S. faces a major challenge in the next 15 years to guarantee that new labor force entrants have the increasingly high level of skills needed." The Foundation's report also describes how the tightness of the labor market has created, and will continue to create, new employment opportunities for a broader, more diverse group of job seekers.

Because of the obvious importance to cities of maintaining a competitive workforce, and because of both current and projected shortages of qualified workers across all skill levels, mayors were sent a second survey in mid-August, this one asking them to focus on the challenges faced in preparing their workforce to meet employers' needs. Questions in this survey addressed the extent to which shortages of qualified workers are affecting their cities, the sectors of their city economies which are being affected, their cities' responses to the problem, and the extent to which state

and federal governments are contributing to solutions.

Survey questions also addressed another important element of the problem – specifically, what is being done to help low income people enter and succeed in the workforce. In a period when cities are known to be experiencing shortages of qualified workers in numerous occupational areas, large numbers of welfare recipients and other low income people are attempting to enter the workforce, often for the first time. Because these new workers, given the opportunity, have the potential to help reduce worker shortages that exist in many areas, this survey requested information on the effectiveness of specific programs and services designed to meet the particular needs of low income workers and their families.

Responses to this second survey were received from 110 cities ranging in population from 2.7 million in Chicago to 8,000 in Columbia City, IN.

Shortages of Qualified Workers in Cities

Highly-Skilled Workers

Officials in four in five of the survey cities reported that they face a shortage of highly-skilled workers – workers with graduate degrees or undergraduate degrees, managerial and/or technical skills and work experience.

- More than three-fourths (77 percent) of these officials said that this shortage had increased over the past five years. In 18 percent of the cities the shortage had remained the same; in five percent it had decreased.
- 87 percent of these officials characterized the shortage as very serious (15 percent) or serious (72 percent). The remaining 13 percent said it is not serious.

Officials in 58 percent of the cities reporting a shortage of highly-skilled workers said that it is affecting their ability to attract new businesses. In 39 percent of these cities, it is affecting the city's ability to retain existing businesses. In 62 percent it is affecting the city's ability to support expansion of existing businesses.

Skilled Workers

Officials in four in five of the survey cities also reported that they face a shortage of skilled workers – workers with associate degrees, other post-secondary training, job-specific technical skills or some work experience.

- 86 percent of these officials said that this shortage had increased over the past five years. In 12 percent of the cities it had stayed the same; in two percent it decreased.
- 86 percent of these officials characterized the shortage as very serious (21 percent) or serious (65 percent). The remaining 14 percent said it is not serious.

Officials in 56 percent of the cities reporting the shortage of skilled workers said that it is affecting their ability to attract new businesses. In 44 percent of these cities, it is affecting their ability to support expansion of existing businesses. In 63 percent it is affecting the city's ability to support expansion of existing businesses.

SECTOR	SKILL SHORTAGE	HIGHLY-SKILLED	SKILLED	LOW-SKILLED
Technology	86%	74%	56%	65%
Health	73%	32%	56%	29%
Construction	72%	18%	62%	33%
Manufacturing	71%	28%	52%	28%
Communications	64%	34%	48%	7%
Retail/Wholesale Sales	50%	5%	22%	35%
Hospitality/Entertainment/Tourism	50%	7%	28%	35%
Finance/Investment	49%	24%	32%	7%
Government	41%	21%	29%	9%
Personal Services	37%	7%	24%	18%

Low-Skilled or Unskilled Workers

Officials in 42 percent of the survey cities reported that they face a shortage of low-skilled or unskilled workers – workers with no post-secondary training or little or no work-related training or experience.

- Just over three-fourths (76 percent) of these officials said that this shortage had increased over the past five years. In 22 percent it stayed the same; in two percent it decreased.
- Just over three-fourths (76 percent) of these officials also characterized the shortage as very serious (22 percent) or serious (54 percent); 24 percent said it is not serious.

Officials in 46 percent of the cities reporting the shortage of low-skilled or unskilled workers said that it is affecting their ability to attract new businesses. In 34 percent of these cities, it is affecting their ability to retain existing businesses. In 57 percent it is affecting the city's ability to support expansion of existing businesses.

Economic Sectors Affected

City officials were asked to identify those sectors of the local economy most seriously affected by the shortage of qualified workers. The sectors most often cited were technology (by 86 percent of the survey cities), health (by 73 percent), construction (by 72 percent) and manufacturing (by 71 percent). The table below shows, by sector, the percentage of responding cities which indicated a skill shortage exists, and the percentage of cities which indicated the skill level at which the shortage exists.

In an open-ended question, the city officials identified technology as the sector in which the shortage of qualified workers was most serious, with 61 percent of the cities citing it. It was followed by manufacturing (cited as most serious by 48 percent of the cities), health (cited by 34 percent), construction (by 27 percent), communications (by 17 percent), retail/wholesale sales (by 15 percent) and hospitality/entertainment/tourism (by 13 percent).

City Responses to Shortages of Qualified Workers

Local Skill Development Partnerships

The survey cities indicated that their efforts to develop the skills needed by employers usually include partnerships involving, or programs conducted by, various local institutions:

- 94 percent have partnerships or programs involving area colleges and universities.
- 93 percent have partnerships or programs involving public post-secondary institutions.
- 85 percent said the partnerships or programs involve businesses.
- 77 percent have partnerships or programs involving public elementary and secondary schools.
- 91 percent have partnerships or programs involving other institutions.

The city officials listed other organizations with which they have partnerships or programs. Identified most frequently in an open-ended question were:

- Workforce Investment Boards/Private Industry Councils – by 23 cities;
- Non-profit and community-based organizations – by 14 cities;
- Local Chambers of Commerce – by 13 cities;
- Technical/trade schools – by 13 cities;
- Economic development organizations – by 11 cities;
- Career training centers – by nine cities;
- State agencies – by eight cities.

Potential to Meet Workforce Needs

Asked whether the education and training institutions and organizations in their cities, as a group, held the potential to develop the full range of skills needed by area employers, 89 percent of the officials said they did. This group was about evenly divided, however, on the question of whether this potential can be realized with existing public and private resources, with 49 percent saying it can, 51 percent saying it cannot.

While these officials cited a wide range of additional resources, policies or programs which are needed to supplement existing resources or to create the skill development potential that is needed in their communities, most needs fell into the following categories:

- Additional public funding for overall efforts (undifferentiated);
- Additional funding for basic education, English as a Second Language, "life" skills education, job readiness education, skill-specific training, secondary vocational/technical education, post-secondary technical education/associate degree

programs, higher (technical/engineering) education, mentoring programs for both students and workers, continuing education, technical training and upgrading of workplace skills for incumbent workers, apprenticeship programs that are long term and competency based;

- Across all education and training resources, additional programs and curricula, instructors/trainers, facilities, equipment;
- Additional funding for support services, especially public and other transportation for workers and affordable child care services; also, tuition assistance to enable low income students to remain in school, stipends to enable trainees to have adequate income during training;
- Additional incentives for individuals to enter training programs, and additional incentives for employers to hire and train under-skilled job seekers;
- Additional private sector funding and additional public-private partnerships, collaboration and involvement in workforce development, including relevant school curriculum development;
- Improved coordination of workforce development overall, including coordination of funding provided by multiple levels of government, education and training provided by multiple institutions, and support services provided by multiple agencies; greater consolidation of efforts;
- Improved leadership and planning of workforce development; improved labor market data and easier access to it;
- Fewer federal and state restrictions on the training process (as opposed to outcome), time frame, eligibility of trainees, reimbursement of employers for on-the-job training costs;
- Greater flexibility in the use of federal and state funds to serve all populations and meet needs of employers, and greater local determination of needs; more equitable allocation of federal and state training and support services funds to cities in which low income population is concentrated; state education reform aimed at helping city schools graduate a capable workforce;
- Tax credits for businesses which hire workers-in-training; greater allocation of sales and property tax revenues to city workforce development; reduction of tax inequities affecting cities; improved tax treatment for tuition reimbursement.

Regional, State and Federal Partnerships

One-fourth of the cities reported that most efforts to develop the skills needed by area employers are being approached at a regional level. Another 53 percent said that while most of these efforts are being approached at a regional level, greater effort is needed. Twenty-two percent of the cities said that most efforts to develop needed skills are not being approached at the regional level.

Officials in just over two-thirds of the cities (69 percent) said that their state government is funding specific initiatives to reduce the shortage of qualified workers in their city. Fifty-three percent of these cities said, however, that these initiatives are not on a sufficient

scale to make a significant contribution to reducing the shortage of qualified workers. Officials in 31 percent of the cities said the state government is not funding such local initiatives. Forty percent of the cities said that other state funds received by the city – both block grants and discretionary awards – offer them the flexibility of applying them to efforts to reduce the shortage of qualified workers; 60 percent said these funds do not have sufficient flexibility to be used in this fashion.

Officials in 58 percent of the cities said that the federal government is funding specific initiatives to reduce the shortage of qualified workers in their city. Of these, however, 59 percent said that the initiatives are not on a scale which can make a significant or measurable contribution to reducing shortages. Officials in 42 percent of the cities said the federal government is not funding such local initiatives. Forty-seven percent of the cities said that other federal funds received by the city – both block grants and discretionary awards – offer them the flexibility of applying them to efforts to reduce the shortage of qualified workers; 53 percent said these funds do not have sufficient flexibility to be used in this fashion.

Successful Partnerships and Initiatives

Several of the cities responding to the survey described partnerships and initiatives which have been successful in reducing the shortages of qualified workers in their communities.

Bridgeport, CT – The goals of The WorkPlace, Inc. are to help people prepare for careers and to strengthen the workforce for employers. It serves as the region's Private Industry Council, administering job training and preparation funded by state and federal agencies. It also serves as Southwestern Connecticut's Regional Workforce Development Board, coordinating job training and education programs that meet the needs of both residents and employers in the 20 communities in the Valley-Bridgeport-Norwalk-Stamford region. In Bridgeport, between July 1997 and June 1998, The WorkPlace served more than 3,000 people, filling jobs in nearly 400 area businesses.

New Haven, CT – A partnership of the New Haven Omni Hotel, the City of New Haven, the New Haven Enterprise Community, the University of New Haven, and the Regional Workforce Development Board has helped the Hotel meet its need for workers while helping City residents, including Enterprise Community residents and welfare clients, find jobs. All of the 85 graduates of this Career TEAM Program were hired by the Hotel; all were New Haven residents, and nearly half had just come off welfare. In addition to training residents for jobs, the program confronted obstacles that can keep people from getting jobs, even when they are trained and eager to work. Many graduates were helped to overcome such impediments as lack of day care and transportation, and jobs were matched with people whose circumstances were unusual. For example, one college-educated graduate who had trouble finding full time employment because he is legally blind was employed by the Hotel as a switchboard operator.

Savannah, GA – The Certified Workforce Corporation is an economic development tool that

addresses the building of a quality workforce and labor pool. Its mission is to provide training and certification which supports the skill development of entry-level workers who are not served by colleges or technical schools. Conceptualized and supported by Savannah Electric, the Savannah Economic Development Authority, and other local partners, the non-profit CWC designed an entry-level customer service skills curriculum which focuses on the development of thinking skills, diction, computer keyboarding skills and specific employer job skills. The course "certifies" skills of graduates who attain course benchmarks, and employers guarantee job interviews for graduates. After successful delivery of five "pilot" classes, and after certifying the skills of nearly 60 entry-level individuals, 87 percent received job offers and 82 percent are currently working. In an effort to increase training capacity, CWC is now preparing local service providers to deliver the needed training.

Chicago, IL – Workforce Solutions is an employment, training and economic development program which works aggressively to capture employment opportunities created through business start-ups, expansion or relocation within the City. The program collaborates with the business client on well-defined goals and expectations, then develops a training and delivery system to meet them. The program develops job descriptions, recruits and assesses potential employees, arranges for the curriculum to train for the positions, and delivers a specifically-trained workforce within weeks of the initial contact. Workforce Solutions uses City funds and Tax Increment Financing funds which are set aside expressly for training; no direct costs are incurred by either the business client or the potential employee.

Bloomington, IN – The Franklin Initiative, a partnership of the local business community and the public school system, was created to develop new ideas and generate new energy to connect schools and careers in Bloomington. Over the past two years the Franklin Initiative has sponsored "Reality Stores" in the middle schools, piloted a new youth apprenticeship program with local companies, and sponsored hundreds of students in workplace internships. Volunteers from the business community have participated in classroom activities, taught Junior Achievement classes, and served on school councils.

Fort Wayne, IN – Omni Source Corporation, headquartered in Fort Wayne, formed a unique partnership with two local social service agencies – Lutheran Social Services and Catholic Charities – to fill a workforce need. Through the partnership, refugees from the conflicts in Kosovo and Bosnia were placed in jobs at Omni Source. To support retention of these employees, classes in English as a Second Language were set up through the social service agencies. As a result, all employees have been retained for more than a year.

Owensboro, KY – Studies conducted in Owensboro and Davies County found that local industries were securing the majority of their training from sources outside the community. Though there were numerous high quality training programs available in the region – including those provided by Owensboro Community College, Owensboro Technical College, Western Kentucky University, Brescia University, Kentucky

Wesleyan College, Owensboro Junior College of Business, and others – there was no central source of information on them to which the human resources staffs of the companies could turn. In response, about a year ago, the Chamber of Commerce and the Citizens Committee on Education launched a joint study of the situation and a joint project to create a new independent agency which will assemble and provide the training information needed by area businesses.

Boston, MA – The City's economic boom has brought the unemployment rate below four percent and produced a tight labor market with shortages in occupations across the board. In response, the City's Office of Jobs and Community Services and the Boston Private Industry Council has designed Welfare-to-Work programs that meet the needs of both TANF (Temporary Assistance for Needy Families) participants and area employers. Employers from health care, financial services and hospitality sectors have entered into specific partnerships with community-based providers to develop job readiness training which moves welfare clients into jobs, some paying more than $10 per hour. In these partnerships, employers specify the job readiness competencies they need, and TANF participants finishing the job readiness programs successfully are guaranteed a job offer. Community-based organizations provide case management support through the job readiness period and for one year after placement. Among employers who have joined the partnerships are Marriott Hotels, Partners Health Care, US Trust, Mellon Bank, Benjamin Health Care, Caritas Christi Health Care, Children's Hospital, the Back Bay Hilton and the Colonnade Hotel.

Holyoke, MA – The Holyoke Employment Partnership, an affiliate of the Greater Holyoke Chamber of Commerce, is comprised of the City, private employers, and public and private employment and training organizations. Its mission is to expand the pool of qualified employees available to local employers. It supports and/or coordinates, among other services, the efforts of all employment and training organizations; the CareerPoint One-Stop Career Center; the Employer Workforce Development Initiative which is engaged in training, hiring and career development of entry-level workers; and the Tutor/Mentor Program for adult learners in pre-employment training programs.

Detroit, MI – The City of Detroit's Employment and Training Department offers a customized advanced technology training program designed to meet the needs of individual employers. Through the program, employers participate in the design of the training and agree to hire the trainees who complete it. For example, a pharmacy technical training program has been customized to meet the employment needs of area hospitals. Ninety percent of the trainees – low income residents who have been receiving assistance – are placed in jobs. EDS, one of the employers currently participating in the program, has hired more than 50 work-first clients to fill system administrator and other positions.

St. Paul, MN – The City, in partnership with the National Association of Workforce Boards, has implemented a Welfare-to-Work project designed to assist those facing significant barriers to employment to overcome them and to get and keep jobs. The High Performance Learning Project utilizes an occupation-

based curriculum that enhances the skill levels of the worker in five high-demand occupations: customer service, health care, building maintenance, security and printing. It is anticipated that in 14 months more than 200 City residents will have participated in this project, reducing turnover for employers and improving career advancement opportunities for participants.

Allentown, PA – For the past two years, and in September of this year, the Private Industry Council Workforce Development Center, in cooperation with the City and other community agencies, has held "Cityworks," a two-day program for job seekers. The first day includes job search presentations by human resources professionals, bus tours to employment centers, resume assistance, career evaluations, labor market analysis, and the proper clothes to wear for interviews. The second day of the program is a Job Fair with over 100 employers looking for new employees. The success of the program is reflected in each year's attendance figures: The first day of the program has drawn more than 1,000 participants; the Job Fair has drawn more than 4,000.

Philadelphia, PA – In 1994, the School District of Philadelphia, in collaboration with the City, businesses and other community partners, launched an initiative to prepare students for employment or higher education. This School-to-Career Initiative offers work-based learning for high school juniors and seniors; entrepreneurship opportunities, including a new four-year pilot program at four high schools; one-stop centers for out-of-school youth; college counseling; and six Tech Prep agreements with the Community College. To strengthen ties between schools and the business community, each of the School District's 22 clusters is developing a Cluster Resource Board, led by a major employer, to support the implementation of STC at the neighborhood level. Lead partners include Bell Atlantic-PA, Crown Cork and Seal, First Union Bank, Independence Blue Cross, PNC Bank, Tasty Baking Company, Temple University and the University of Pennsylvania. Executives from over 135 businesses, organized into specific industry sectors, function as advisors to the School District to ensure that instruction and training are aligned with employers' needs and standards.

Providence, RI – A partnership of five organizations, led by the South Providence Development Corporation, developed an aggressive and comprehensive program to meet the employment needs of the new Providence Place Mall. The partnership developed a program to recruit, prepare and place City residents in some of the 2,500 jobs created by this large economic development effort. In what is considered to be a model of collaboration among the community, government funding sources and private sector employers, the mall developers and tenants assisted in the development of training curricula and agreed to give special consideration to program graduates seeking jobs.

Knoxville, TN – The Youthbuild Program is designed to provide leadership training and vocational training in construction skills to low income young people 18-24 years of age. Program partners include Knoxville's Community Development Corporation, which provides land and non-labor construction costs for single family residences; the Private Industry Council, which provides

instruction and materials for the training; the U.S. Department of Housing and Urban Development, which provides funding for wages and stipends for the participants; and the Knoxville-Knox County Community Action Committee, which provides administrative costs. The 56 program participants, most of whom are high school drop-outs, are constructing four single family residences over a period of two years. Along with their training in construction skills, these participants also are receiving case management and leadership training.

McAllen, TX – Launched last year, the McAllen Welfare Self Sufficiency Demonstration Project targets 275 welfare recipients over five years for education, job training and placement in high-skill, high-paying jobs. Eighty percent of the clients targeted are McAllen residents; 20 percent reside outside the City in Hidalgo County. The project, a partnership of the South Texas Community College, the Region One Education Service Center, the Valley Initiative for Development and Advancement, other public agencies and the community, includes outreach; testing for basic skills, career aptitude and interest; career planning; pre-job training including GED training, basic computer occupational skills training, and job training. Post secondary technical training of from one to two years is provided for verified job openings; job specific training, provided where there is a specific offer of a job, is designed to meet employers' specifications. Upon successful completion of the program, trainees receive a "Certificate of Employability."

San Antonio, TX – The Better Jobs Initiative, a city-wide effort aimed at raising the standard of living and improving the quality of life for the San Antonio community as a whole, is designed to attract higher paying jobs and to help create a highly skilled workforce. For the past 18 months, a Better Jobs task force comprised of over 100 volunteer members has been actively involved in forming partnerships and fostering relationships among employers, educators, job seekers, parents, community groups, and neighborhood associations. The task force is addressing early childhood education issues, exploring ways to increase community and parent involvement, and working closely with employers and job placement agencies to improve employee education and workforce development training.

Madison, WI – Individual "Jobs with a Future Partnerships" have been formed in Dane County's manufacturing, health care, and finance and insurance industries. Each partnership, comprised of employers, labor and public sector representatives, meets monthly; their goal is to promote and develop a quality workforce in the region. Partnership projects have received financial support from the City, the County, the United Way, and other public and private contributors, including the Joyce Foundation. The County's overall Jobs with a Future Project has produced new and incumbent worker training programs in areas such as computer programming, phlebotomy, medical transcription, and customer service; an upward mobility project to connect low income workers with jobs in Partnership firms; a Jobs with a Future resource book which includes a directory of Partnership firms and information on jobs and community resources; documentation of area and industry trends; and a Joint Committee on School to

Work Issues which involves Partnership coordinators in new programs and placements for students.

Among the other examples of efforts to meet employers' needs for skilled workers:

Prichard, AL – One of the City's high schools has implemented the Sisco Computer Networking Program, a nationally certified program which trains students in setting up computer system networks. Students graduating from the program are eligible for entry level positions averaging $40,000 annually.

Yuma, AZ – With the goal of promoting economic growth and reducing the shortage of qualified workers in the region, the Greater Yuma Economic Development Corporation brings together the City, the County of Yuma, the Town of Wellton, the City of San Luis, the City of Somerton, other local entities, and more than 55 private companies. The Corporation also works with federal, state and local employment agencies and with local educational entities.

Concord, CA – "Yes! Concord" provides young people and adults with the tools necessary to obtain and retain employment. Funded through the Community Development Block Grant, the program enhances the employability of youth and adults by providing job skills and job opportunities. Over the past three years, it has placed more than 220 people in jobs.

Escondido, CA – The City has enjoyed a successful relationship with the local center of the San Diego Workforce Partnership. Through the center, employers can access labor market information, review resumes and locate skilled workers. Workers can access career enhancement tools and training.

Gardena, CA – In each of the past 25 years, the City's One-Stop has provided job training, placement, and free or low cost support services – child care, counseling, and emergency food and clothing, among them – to hundreds of clients. An active member of the South Bay Private Industry Council, the One-Stop partners with, among others, the California Employment Development Department, the California Department of Rehabilitation, El Camino College, California State University Dominguez Hills, and the Gardena Valley Economic Development Corporation.

Titusville, FL – An 11,000-square-foot facility just opened by the Brevard Workforce Development Board in Titusville is helping the City respond to employer needs for skilled workers. Funded by the State through Enterprise Florida, the Board includes a coalition of organizations such as Brevard Job Link and the Brevard Community College. It also administers the JTPA program and the State's Work and Gain Self-Sufficiency Program.

New Orleans, LA – A partnership of the Office of the Mayor, the New Orleans Jobs Initiative and the Delgado Community College is addressing the shortage of qualified precision machinists in the City.

Lynn, MA – The Essex County Community Organization, the International Union of Electricians Local 201, the Lynn Vocational and Technical Institute, General Electric and other area manufacturers have joined together to provide training for members of the community in the machine shop field.

Meridian, MS – Mathfirst, a program to improve math and computer skills in occupational areas target-

ed by employers, was created as a public-private community improvement initiative. It is jointly sponsored by area schools, colleges, developers and businesses.

St. Joseph, MO – A workforce development initiative has been created to provide education and training for workers in preparation for the diverse demands they will confront in the workplace. The initiative is a cooperative effort of the St. Joseph Public Schools, Missouri Western State College, and the St. Joseph Area Chamber of Commerce.

Solon, OH – A task force, which includes the City government, has been created to coordinate regional job training, transportation and day care resources. As part of its effort to better match job candidates with the needs of Solon employers, the City sends notices of plant closings and layoffs to businesses which may want to hire from the labor pools created by the closings and layoffs.

Portland, OR – A manufacturing learning center was created through a public-private partnership. With the objective of retaining and expanding local manufacturing industries, the center trains residents to meet the skill requirements of the manufacturing employers in the region.

Carolina, PR – In response to a shortage of qualified croupiers for Carolina's concentration of hotels and casinos, the Consorcio Carolina Trujillo Alto used Job Training Partnership Act Title II funds to train about 100 croupiers. Training has also responded to needs for nurses, electricians, loan processing officers, air conditioning and refrigeration technicians, clerical workers with word processing skills, architectural and civil drafters, dental assistants, and many other categories of workers.

Galveston, TX – Galveston College, the City's community college, has established a training program for the skilled welders needed by one of the area's companies for shipbuilding, ship repairing and offshore oil rig repairs.

Port Arthur, TX – The Chamber of Commerce, Economic Development Corporation and City collectively held a City Job Fair to document the availability of workers, by skill level, for local industries. Over 3,000 residents participated, as did many of the City's major employers. As a result of this event and subsequent follow-up, over 10 percent of the participants obtained jobs.

Salt Lake City, UT – In the City's "Custom Fit" Program, Salt Lake Community College and area employers work together to design programs that provide job seekers with the skills needed by those employers. It has been used by several of the area's manufacturing firms to prepare skilled workers in a timely manner.

Alexandria, VA – The City has just launched two new programs funded under special Department of Labor grants to address the shortage of high technology workers in the area. Both involve partnerships with area employers, training vendors, and the Alexandria campus of the Northern Virginia Community College.

Chesapeake, VA – A partnership between the local community college and the City's Economic Development Department offers a job training program to local businesses. The partnership identifies specific worker training needs in manufacturing, office and

technical job categories and the college develops and provides tailored employee training.

Business Perspective on Shortages of Qualified Workers

The United States Conference of Mayors surveyed the Mayors' Business Council members in May 2000 to determine how public and private sector organizations are affected by the skills gap and how they are addressing the shortage of skills demanded by their industry when hiring new employees. Sixty-six percent of Business Council members who responded reported that their companies are impacted by the skills gap and 100 percent of those reporting skills gap issues reported that they have developed strategies to begin addressing the shortages of qualified workers. Below are excerpts of comments received from this survey.

How is your organization affected by the skills gap?

- "We find a lack of experienced and skilled developers with multi-disciplinary backgrounds in science and finance."
- "For some of our new employees, the reading and math skills and computer knowledge are not at the level we need them to be."
- "Some employees and recruits lack knowledge specific to our industry, and do not have the management, marketing, and technical skills required for many positions."
- "As we recruit employees in the U.S. and worldwide, my company needs more people, particularly members of minority groups, with backgrounds in communications systems, computers, finance, marketing and sales."
- "It is difficult to find employees with technical and engineering skills necessary to build an Internet company."

Please describe the strategies that your organization is using to address the "skills gap" and how these strategies are being implemented.

- "We perform a skills assessment of all staff. Classes and courses are then developed to meet the needs identified. Some of these classes/courses are technical-computer or specialized certifications, others are basic reading, math and writing."
- "We have opened a computer lab to facilitate hands-on experience, utilizing both internal and external instructors."
- "We focus on attracting undergraduates and start mentoring these students for possible jobs after graduation. We also involve college career planning and placement centers in identifying critical skill needs in engineering and resource management."
- "We have developed programs to provide curricula and financial support for training high school and college students and teachers in networking technology."
- "We have developed in-house training structured

to address our business needs. There is an apprenticeship program to provide on-the-job training for technicians."

- "We have a management training university to meet immediate and emerging management development needs."
- "Our operations and technology division provides potential employees training and employment opportunities upon successful completion of courses and testing requirements. Our marketing and growth division rewards employees with a bonus upon successful completion of a 13-week training program."

Expanding Opportunities for Low Income Workers and Their Families

Moving from Welfare to Work

Thirty-one percent of the survey cities reported that their state's TANF program is taking advantage of the flexibility it has been given to help move recipients from welfare to work. Another 62 percent said that while the state's program is taking advantage of the flexibility available, more could be done. The remaining seven percent of the cities said their state's TANF program is not taking advantage of the flexibility available.

Given the fact that remaining welfare caseloads are disproportionately located in cities, officials were asked whether their state's efforts to move people from welfare to work are being targeted to cities in general and to their city specifically. Sixty-nine percent of the cities said that their state's efforts are being targeted to cities in general; 64 percent said they are being targeted to their city specifically.

Exactly one-half of the cities said that Department of Labor funding for welfare-to-work efforts is adequate to meet current needs in their city; the other half said that it is not.

Officials in the survey were asked to assess the availability and adequacy in their city of a range of supports which welfare recipients need to move into the job market and succeed on the job. The table below shows the percentage which said the support was available and the percentage which said it was adequate to meet the needs of those moving from welfare to work.

SUPPORTS	AVAILABLE	ADEQUATE
Basic Skills Training (literacy, language, G.E.D., etc.)	97%	72%
Job Search Assistance	95%	62%
Job Skills Training	94%	52%
Post-secondary education, where appropriate	93%	69%
Services to Overcome Severe Barriers to Employment (including counseling/treatment for substance abuse, family violence, etc.)	92%	50%
Child care	85%	27%
Transportation	83%	30%

In a separate question, city officials were asked to indicate which of the needed supports were considered to be most seriously deficient at this time. Child care

and transportation led the list of supports considered to be most seriously deficient, with 32 and 30 cities, respectively, citing them. These were followed by job skills training (cited by 15 cities), basic skills training (by 11 cities) and services to overcome severe barriers to employment (by nine cities).

Health Care

Assessing health care coverage available to low income workers,

- Nearly three-fourths (74 percent) of the officials said that most low income workers in their cities do not have access to affordable health care coverage through their employers; and
- Seventy-eight percent reported that most of those who do not have access to health care coverage through their employers receive health care through government programs such as Medicaid.
- Officials estimated that, on average, 47 percent of their low income workers have access to health care coverage through either their employer or a government program.

Forty-two percent of the cities said that the Children's Health Insurance Program (CHIP) is effectively bridging the health care gap for children of low income workers who do not have health care coverage; 58 percent said it is not. Ten percent of the cities felt that their state is taking advantage of the flexibility and outreach funding available through CHIP to reach these children. Another 72 percent said that while the state was taking advantage of the flexibility and outreach funding available through CHIP, more could be done. Eighteen percent said their state was not taking advantage of the flexibility and outreach funding available through CHIP to reach these children.

Child Care

Nearly nine in 10 of the survey cities (89 percent) said that most low income working families do not have access to affordable, quality child care through their employers. Just 11 percent of the cities said that they did. Nearly three in five of the survey cities (59 percent) said that most low income working families do not have access to affordable, quality child care through government programs; 41 percent of the cities said they do. The city officials estimated that, on average, 37 percent of the low income working families in their cities have access to affordable quality child care from any source.

Thirty-eight percent of the cities reported that most families lose child care assistance when they move from welfare to work; 62 percent said they do not. In just over half of the cities (51 percent), most families have to change child care providers when they move from welfare to work; in 49 percent they do not.

Officials in 16 percent of the cities said their state is taking advantage of the flexibility available through the federal Child Care and Development Block Grant to meet the child care needs of low income working families in their city. Another 61 percent said that while the state is taking advantage of this flexibility, more could be done. Twenty-three percent of the cities said that their state was not taking advantage of the flexibility available.

APPENDIX

Responding Cities

Auburn, AL
Huntsville, AL
Prichard, AL
Scottsdale, AZ
Yuma, AZ
Concord, CA
Culver City, CA
Escondido, CA
Gardena, CA
Glendale, CA
Lompoc, CA
Merced, CA
Richmond, CA
San Diego, CA
San Leandro, CA
Upland, CA
Denver, CO
Bridgeport, CT
New Haven, CT
Washington, DC
Cape Coral, FL
Hollywood, FL
Miami, FL
Ocala, FL
Tamara, FL
Titusville, FL
Atlanta, GA
Macon, GA
Savannah, GA
Honolulu, HI
Carbondale, IL
Chicago, IL
Des Plaines, IL
Evanston, IL
Rantoul, IL
Bloomington, IN
Columbia City, IN
Columbus, IN
East Chicago, IN
Fort Wayne, IN
Gary, IN
Cedar Rapids, IA
Waterloo, IA
Topeka, KS
Owensboro, KY
Lafayette, LA
New Orleans, LA
Rockville, MD
Boston, MA
Holyoke, MA
Lynn, MA
Detroit, MI
Farmington Hills, MI
Burnsville, MN
Rochester, MN
St. Paul, MN
Biloxi, MS
Greenville, MS
Laurel, MS
Meridian, MS
Natchez, MS
St. Joseph, MO
St. Louis, MO
Lincoln, NE
Omaha, NE
Concord, NC
Gastonia, NC
New Brunswick, NJ
Union City, NJ
Rio Rancho, NM
Binghamton, NY
Canton, OH
Solon, OH
Warren, OH
Lawton, OK
Oklahoma City, OK
Portland, OR
Allentown, PA
Erie, PA
Harrisburg, PA
Mount Lebanon, PA
Norristown, PA
Philadelphia, PA
Pittsburgh, PA
York, PA
Carolina, PR
Cidra, PR
San Juan, PR
Providence, RI
Rock Hill, SC
Pierre, SD
Knoxville, TN
College Sation, TX
El Paso, TX
Fort Worth, TX
Galveston, TX
Houston, TX
McAllen, TX
Port Arthur, TX
San Antonio, TX
Waco, TX
Salt Lake City, UT
Alexandria, VA
Chesapeake, VA
Norfolk, VA
Longview, WA
Olympia, WA
Spokane, WA
Brookfield, WI
Madison, WI

The United States Conference of Mayors
1620 Eye Street, NW, Washington, D.C. 20006, (202) 293-7330
www.usmayors.org

26